



New Italian Inbound Workers Regime: Employer of Record Continuity and Extended Foreign Residence Requirement

Descrizione

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Italian Revenue Agency – [Ruling No. 54/2026](#)

The Italian Revenue Agency examined the application of the new inbound workers tax regime (Article 5, Legislative Decree No. 209/2023) in a case involving:

An Italian citizen resident in Switzerland for three tax years;

Employment abroad through a Swiss Employer of Record (EoR);

Relocation to Italy in 2025;

New employment in Italy for a different foreign operating company;

Formal employment contract signed with an Italian Employer of Record belonging to the same corporate group as the Swiss EoR.

The operating companies benefiting from the employee's services were not related to each other.

The taxpayer argued that the ordinary three-year foreign residence requirement should apply, since the EoR performed only administrative/payroll functions and had no managerial authority.

Legal Framework

Under Article 5 of Legislative Decree No. 209/2023, the new inbound workers regime provides:

A 50% exemption on Italian-source employment income (up to EUR 600,000 annually);

A minimum foreign residence requirement of three tax years;

An extended requirement of six or seven tax years if, upon return, the employee works:

for the same employer, or

for a company belonging to the same corporate group (as defined under Article 2359 of the Italian Civil Code).

Position of the Revenue Agency

The Revenue Agency clarified that:

Continuity is assessed based on whether the employer (or group) before and after the relocation is the same;

This principle also applies when the formal employer is an Employer of Record;

It is irrelevant that the EoR performs only administrative functions;

It is irrelevant that the operating companies benefiting from the services are different and unrelated.

Since the Swiss and Italian Employers of Record belonged to the same corporate group, the Agency considered that continuity existed.

Conclusion

The ordinary three-year foreign residence requirement does not apply.

The taxpayer must satisfy the extended six-year foreign residence requirement to qualify for the new inbound workers regime.

Practical Implications

The ruling confirms a formal and structural interpretation of “group continuity,” focusing on corporate control relationships rather than on the substantive nature of the employment relationship.

This interpretation is particularly relevant for:

International mobility structures involving Employers of Record;

Multinational groups using payroll intermediaries;

Cross-border employment planning under the new Italian inbound workers regime.

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